

## **1994-2000 STATEWIDE CAPITAL IMPROVEMENTS PLAN**

### **EXECUTIVE SUMMARY**

#### **THE CAPITAL PLANNING ADVISORY BOARD**

The Capital Planning Advisory Board (CPAB) was established by Senate Bill 46, as enacted by the 1990 General Assembly and codified as KRS Chapter 7A. This legislation was based on a recommendation of the Debt Capacity Task Force established by the 1988 General Assembly, which noted that evaluating how much debt the Commonwealth should have requires an accurate assessment of its capital needs.

The CPAB has fifteen members - five appointees from each branch of state government. Pursuant to statute, the Board is to create a six-year comprehensive statewide capital improvements plan, encompassing all state agencies and universities, to be submitted to the heads of the three branches - the Governor, the Chief Justice, and the Legislative Research Commission - by November 1 of each odd-numbered year. This enables the comprehensive capital plan to be used in the subsequent budget process and in the regular biennial legislative session.

The CPAB has previously completed and submitted two statewide capital improvements plans. In November 1991, a plan covering the 1990-96 period was submitted; it included recommendations on space management goals for the Commonwealth, construction of state-owned office space in Franklin and Fayette Counties, and categories of capital projects deserving special emphasis. In November 1993, the plan covering the 1992-98 period was submitted; it contained a total of 19 recommendations grouped into the following categories: space management and utilization, judicial/corrections, technology/equipment, project approval considerations, requirements for future capital planning and budgeting submissions, higher education deferred maintenance, and energy management. The 1992-98 plan also listed 39 projects (not in priority order), from those submitted by the agencies and universities, which the Board identified as having exceptional merit.

KRS Chapter 7A (the enabling statutes for the Capital Planning Advisory Board) and 1 KAR 6:020 (the administrative regulations containing the Board's policies and procedures) are provided as Appendix E.

#### **THE 1994-2000 PLANS**

Guidelines for state agencies and higher education institutions to use in submitting their individual 1994-2000 capital improvements plans were approved by the CPAB at its October 4, 1994 meeting.

The guidelines stipulated that the agency plans should include a status report of projects authorized for the 1994-96 biennium and planning information on capital construction projects, equipment purchases, and new or expanded leases of real property proposed for the upcoming two biennia - 1996-98 and 1998-2000. Significant changes from the guidelines used for the previous plan included:

- The threshold for capital construction projects and computer and communications systems was raised from \$200,000 to \$400,000, based on House Bill 166, as enacted by the 1994 General Assembly;

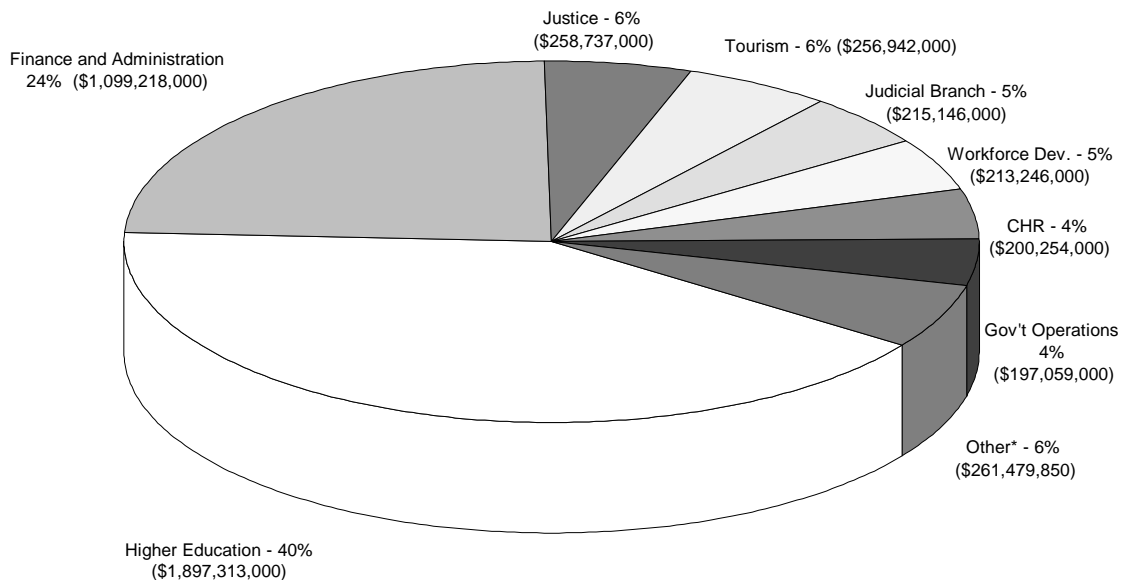
- There was greater consistency between the forms used in the planning process and those used in the budget process, primarily through the inclusion of additional data elements as requested by the agencies; and
- An effort was made to increase coordination between the capital planning and information resources planning processes through the reporting of all capital items, including computer and communications equipment, through the capital planning process.

Submissions were to be provided in the Board-approved electronic format which was developed by staff of the Governor's Office for Policy and Management (GOPM).

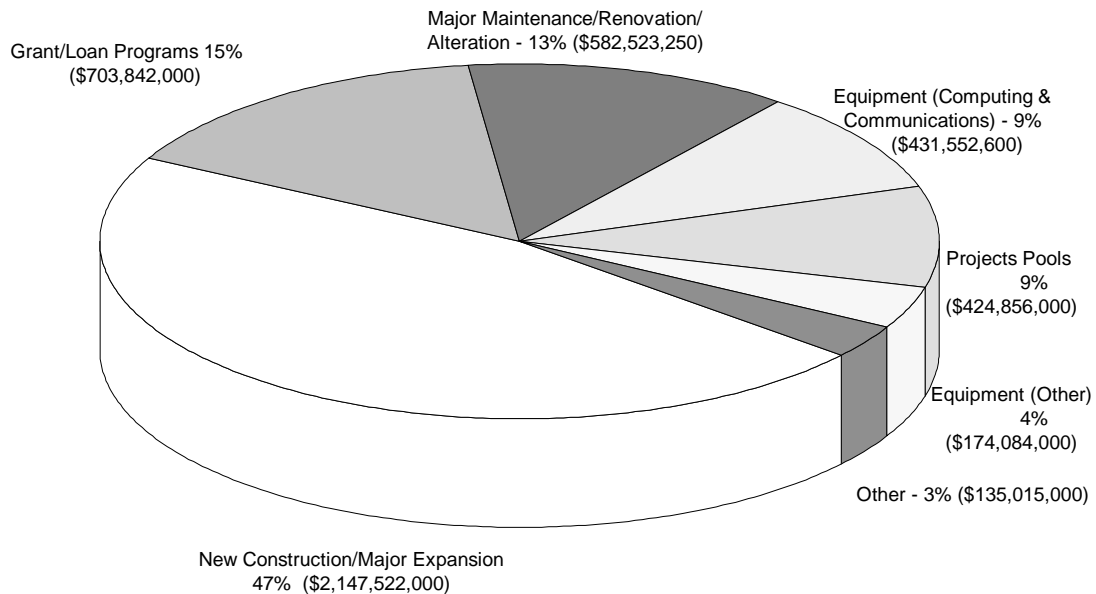
In October 1994 and January/February 1995, CPAB staff, assisted by staff of GOPM and the Kentucky Information Resources Management (KIRM) Commission, conducted six one-day training sessions to familiarize agency and university planning personnel with the forms and instructions and the related computer software.

Agency capital planning submissions were due on April 15, 1995. Board staff reviewed the submissions to ensure that status information had been provided for the 1994-96 projects and that all information on projects planned for future biennia had been provided. Staff then analyzed the planned projects and developed summaries highlighting each agency's priorities and major categories of projects.

For the 1996-2000 planning period, capital construction and equipment projects totaling \$4.6 billion were submitted to the CPAB. The following charts summarize the projects by area of government and by type of project. A complete listing of all projects is provided in Appendix A.



**BY AREA OF GOVERNMENT**



### BY TYPE OF PROJECT

The Board conducted a two-day meeting in July to review the capital plan submissions and to hear testimony from representatives of agencies and universities regarding their planning priorities. At its July meeting, the Board also received and reviewed recommendations and prioritized listings which it had requested from KIRM for computing and communications equipment items and from the Council on Higher Education (CHE) for projects of the institutions of higher education. (The KIRM report, including its list of "High Value" items and prioritized recommendations, is provided as Appendix B. The CHE response, including its list of "Top 50 State-Supported Higher Education Projects," is provided as Appendix C.)

Subsequent meetings in August and September focused on the development of Board recommendations based on information received at the July meeting. Also, at its September meeting, the Board received the Transportation Cabinet's draft *Six Year Highway Plan FY 1997-FY 2002*.

In October, the Board gave final approval to the draft of the 1994-2000 statewide capital improvements plan for submission to the heads of the three branches of government.

### **PROJECT RECOMMENDATIONS**

For the first time since its creation, the Board is recommending a prioritized listing of projects to be financed from state funds in the 1996/98 biennial budget, as well as making recommendations on projects to be financed from other than state funds.

#### PROJECTS TO BE FINANCED FROM STATE FUNDS

The Board recommends that the Governor and General Assembly provide state funding in the 1996/98 biennial budget, to the extent possible, for the capital projects listed in this report on pages 6 through 9. Two project listings are provided. The first listing identifies 97 projects which

the Board believes should be considered in the priority order shown. The second listing consists of additional projects which the Board feels are also worthy of consideration.

This recommendation is based on the Board's review of projects proposed for the 1996-2000 planning period, as submitted by state agencies and universities, recommendations on computing and communications items, as provided by KIRM, and recommendations on projects for the institutions of higher education, as provided by CHE.

In making this recommendation, the Board reiterated the following positions/recommendations, which it expressed in previous plans:

- Adequately maintaining the state's existing physical plant should be a very high priority for funding in the capital budget.
- In order to preserve the state's credit rating, very conservative levels of debt should be authorized until the Budget Reserve Trust Fund is adequately funded, and authorization should be provided for only those projects which are of the highest quality and address the most pressing government needs.
- The Finance and Administration Cabinet should recommend changes in state purchasing procedures to make those procedures more responsive to the computer and communications equipment acquisition needs of state agencies.

#### PROJECTS TO BE FINANCED FROM OTHER THAN STATE FUNDS

The Board recommends that the 1996/98 budget authorize all projects proposed by state agencies and universities to be financed 100% from Federal Funds, Restricted Agency Funds, Other Funds, or Road Funds, with the following exceptions:

- Projects which will require the expenditure of significant additional state funds for their operation and maintenance,
- Projects which will commit the state to fund significant costs to complete the project after the available Federal Funds/Restricted Agency Funds/Other Funds/Road Funds have been expended,
- Restricted Agency Funds or Road Funds should not be authorized for projects to such an extent that agency programs or operations also funded by that source would be jeopardized,
- The top priority for the use of Restricted Agency Funds of the higher education institutions (other than those related to housing and dining and hospital operations) should be projects to address life/safety and deferred maintenance needs for which state funds are not available, and
- A high priority for the use of Road Funds should be Transportation Cabinet projects to address life/safety and deferred maintenance needs.

The Board also recommends four specific projects to be financed from other than state funds as follow:

- Commonwealth Integrated Network System Upgrade/Expansion (Restricted Agency Funds)
- CHE Restricted (Agency) Funds Bond Projects Pool (University Agency Bonds)

- Kentucky River Authority, Dam Modification and Release Valve Project (Agency Bonds)
- Public Service Commission, New Facility (Bonds-debt service from millage rate assessment)

(The complete recommendations and descriptions of the projects recommended to be financed from state funds may be found in the "Project Recommendations" section of this report.)

### **OTHER CPAB RECOMMENDATIONS**

In addition to the project recommendations, a total of six other recommendations were adopted by the Board in conjunction with the 1994-2000 capital planning process. They are as follow:

#### **PROHIBIT DEBT FINANCING OF STATE PROJECTS WITHOUT LEGISLATIVE AUTHORIZATION**

The Board recommends that legislation be enacted to prohibit debt financing of state capital projects without prior approval by the General Assembly.

#### **SHARED USE OF PUBLIC HIGHER EDUCATION FACILITIES**

The Board recommends that CHE plan for shared facilities to be used by the various public higher education institutions.

#### **REDUCE PRISON POPULATION GROWTH RATE**

The Board recommends that the Executive and Legislative Branches make every effort to identify alternatives to incarceration, consistent with public safety, that could reduce the prison population growth and the attendant need for the construction of new facilities.

#### **MECHANICAL AND ELECTRICAL MAINTENANCE IN STATE BUILDINGS**

The Board recommends the establishment in the Division of Engineering of a consulting group to assist agency maintenance staff in the proper methods of maintaining and operating the sophisticated, computer-controlled air conditioning, heating, and electrical systems in state facilities. The Board also recommends that agencies provide for appropriate training for their maintenance personnel, and that maintenance personnel budgets not be subjected to a disproportionate share of cuts when budget reductions are required.

#### **CHANGES TO CPAB STATUTES**

The Board recommends that the 1996 General Assembly enact legislation to amend KRS Chapter 7A relating to the capital planning process. (Such changes are intended to resolve inconsistencies between existing statutory language and the planning process, as it has been implemented, to incorporate language currently in the administrative regulations, to clarify the role of participants in the planning process, including KIRM and CHE, and to make various changes in the planning process based on experience from the three plans already developed.)

#### **INCREASE BUDGET RESERVE TRUST FUND**

The Board urges the Governor and the General Assembly to increase funding for the Budget Reserve Trust Fund by one percent (1%) each biennium, with the goal of establishing a reserve which is equal to five percent (5%) of General Fund revenues.

(The complete recommendations, accompanied by relevant background information for each, may be found in the "Other CPAB Recommendations" section of this report.)

**PROJECTS RECOMMENDED TO BE FINANCED FROM STATE FUNDS IN 1996/1998  
(Prioritized Listing)**

- 1 Maintenance Pools (Various Agencies)
- 2 Emergency Repair, Maintenance and Replacement Fund (Finance)
- 3 Life/Safety and Governmental Mandate Pools (Various Agencies)
- 4 KSR/Replacement of Unit E, Maximum Security (Justice)
- 5 Capital Construction & Equipment Purchase Contingency Fund (Finance)
- 6 Slope Stabilization & Sewer Repair - Capitol Boiler Plant (Finance)
- 7 BCFC/Sewage Treatment Plant Supplemental Funds (Justice)
- 8 New State Office Bldg - Asbestos Abatement Renovation Projects (Finance)
- 9 The Workers Information System/TWIST (CHR)
- 10 800 MHz Digital Trunked Radio Statewide System (Finance)
- 11 Maximum Security Juvenile Detention Center (Justice)
- 12 Fort Boonesborough - Campground Electrical Upgrade (Tourism)
- 13 Flood Control Matching Program/See also Priority #56 (DLG)
- 14 School Facilities Construction/See also Priority #57 (SFCC)
- 15 KIA Fund A - Federally-Assisted Wastewater Program (Finance)
- 16 KIA Fund B - Infrastructure Revolving Loan Fund Program (Finance)
- 17 KIA Fund E - Solid Waste Loan Program (Finance)
- 18 Economic Development Bond Program (Economic Development)
- 19 Fayette County Court Facility (AOC)
- 20 Design New State Office Building - Franklin County (Finance)
  
- 21 40-Bed Boys High Intensity Residential Facility (CHR)
- 22 Secure Juvenile Detention Facility in Northern Kentucky (Justice)
- 23 Secure Juvenile Detention Facility in Western Kentucky (Justice)
- 24 Judicial Capital Construction Project Pool (AOC)
- 25 KTLN Interactive Classrooms and Hub Equipment (Finance)
- 26 Ashland CC Classroom Building
- 27 State Records Services Center (Libraries & Archives)
- 28 Hopkinsville Regional Technical Training Center (Workforce Dev & UKCCS)
- 29 Law Information Network of Kentucky (LINK) Replacement (Justice)
- 30 NKU - Natural Science Building
- 31 Statewide Digital Basemap (Finance)
- 32 Pine Mountain - Develop Lake Area (Tourism)
- 33 Yatesville Lake - Marina Development (Tourism)
- 34 Taylorsville - Campground Development (Tourism)
- 35 General Butler - New Conference Center (Tourism)
- 36 Jefferson Davis - Visitors Center (Tourism)
- 37 Lake Cumberland - Additional Parking (Tourism)
- 38 Buckhorn - New Conference Room (Tourism)
- 39 Mineral Mound - Park Development (Tourism)
- 40 My Old Kentucky Home - Visitors Center (Tourism)
  
- 41 Lake Barkley - Golf Course Expansion (Tourism)
- 42 State Fair Board - Roof Replacement (Tourism)
- 43 MuSU - Carr Health/Cutchin Renovation
- 44 UL - Natural Sciences (Rebuild Parapet Walls)
- 45 New Capitol Annex - Exterior Repairs/Weatherproofing (Finance)
- 46 Imaging System/Server, Scanner, Storage-DSM (NREPC)
- 47 Record Format Conversion & Imaging Equipment (Libraries & Archives)
- 48 Hardin County Court Facility (AOC)
- 49 Statewide Case Mgmt. & Offender Based Transaction Sys/COURTNET (AOC)
- 50 GRCC/New 250-Bed Medium Security Dorm (Justice)
- 51 Tax Return Processing - OCR & ICR (Revenue)
- 52 Danville/Boyle County Regional Training Center (Workforce Dev)

- 53 Hazard CC - Student/Performing Arts/Regional Classroom Center, Ph I
- 54 UL - Research Building, Health Science Center
- 55 UKUS - Aging/Allied Health Building
- 56 Flood Control Matching Program/See also Priority #13 (DLG)
- 57 School Facilities Construction/See also Priority #14 (SFCC)
- 58 Design New Western State Hospital (CHR)
- 59 Central State Recovery Project (Finance)
- 60 Construct 40-Bed Boys Residential Treatment Facility (CHR)
  
- 61 MoSU - Dam Repair/Restoration
- 62 Industries for the Blind - Floor Settlement Correction (Workforce Dev)
- 63 WKU - Cherry Hall Window Replacement
- 64 UL - Medical/Dental Research Bldg Renov. Ph II
- 65 Cumberland Falls - New Interpretive Center (Tourism)
- 66 Yatesville Lake - Campground Development (Tourism)
- 67 Lake Barkley - Covered Pool (Tourism)
- 68 Jenny Wiley - Golf Course (Tourism)
- 69 KY Horse Park - Additional Special Event Horse Stalls (Tourism)
- 70 KSU - Chiller Additions
- 71 MoSU - Breckinridge Hall Renovation
- 72 NKU - Land Acquisition
- 73 Communications/Local Area Network System (KY Historical Society)
- 74 Star Channels Transponder Purchase (KET)
- 75 State Fair Board - HVAC Renovation & Replacement (Tourism)
- 76 KSB Food Services Bldg. Renovation (Dept. of Education)
- 77 MuSU - Blackburn Science Renovation
- 78 UKUS - Patterson Office Tower Elevators
- 79 UKUS - Agriculture North Renovation
- 80 KY Horse Park - HVAC Control System & Chiller Replacement (Tourism)
  
- 81 Weights & Measures Testing Equipment Pool (Agriculture)
- 82 Local Health Network (CHR)
- 83 Electronic Employee File System (Personnel)
- 84 Technology Equipment Upgrade Pool (Workforce Dev)
- 85 UKUS - Mechanical Engineering Building
- 86 MoSU - Land Acquisition Related to Campus Master Plan
- 87 Construct Eight(8)-Bed ICF/MR Facility (CHR)
- 88 WKU - Renovation of Academic-Athletic Complex #1
- 89 ECU - Cammack Building Renovation
- 90 Equipment Replacement Pool (Dept. of Education)
- 91 Point of Sale Devices & Telecommunications (CHR)
- 92 Jefferson County Court Facility (AOC)
- 93 UKUS - Telemedicine Systems
- 94 Agriculture Technology Restructure System (Agriculture)
- 95 Tax Return Processing - Data Capture System (Revenue)
- 96 KSP - New LaGrange Post Facility (Justice)
- 97 Hazelwood - Renovate Main Bldg/1st, 2nd, & 3rd Floors (CHR)

NOTE: The generic term "State Funds" has been used, rather than specifying the source of those funds (e.g., General Funds, State Bonds, Investment Income, Capital Construction Surplus), in order to provide flexibility for decision makers to specify the most appropriate source when the budget is developed.

**PROJECTS RECOMMENDED TO BE FINANCED FROM STATE FUNDS IN 1996/1998**  
**(Other Projects Worthy of Consideration - Not Prioritized)**

Human Services Construction Pool - Additional Budget (CHR)  
CHR Central Complex - Fiber Optic Cabling (CHR)  
Miscellaneous Projects Cash Pool - Minor Equipment Purchase (CHR)  
Replace Coal Fired Boilers with Gas Fired - Central State Hospital (CHR)  
Emergency Generator Replacement - Glasgow SNF (CHR)  
CHR Complex - Roof Replacement (Finance)  
Capital Building Skylight Repair (Finance)  
Veterans Center Warehouse Addition (Finance)  
Network Communications Equipment & Infrastructure (Libraries & Archives)  
Inductively Coupled Plasma/Mass Spectrograph/Quadropole (NREPC)

Tax Return Processing - Mail Sorter (Revenue)  
Parks Central Office - Boundary Surveys (Tourism)  
State Fair Board - Surfacing and Repaving (Tourism)  
EKU - Academic Building  
KSU - Student Center Renovation  
MuSU - Expo Center Renovation  
MuSU - Multi-Media Production Facility  
MuSU - Business Renovation: 1st Floor & Front Entrance  
MuSU - Campus Backbone Network  
NKU - Instructional Technology Project

UKUS - Pence Hall Renovation  
UKUS - Slone Building Renovation  
UKUS - 4KV to 12KV Electrical Conversion  
UKUS - Chiller Replacement  
UKUS - Kastle Hall Renovation  
UKUS - Electrical Substation #1 Switching  
UL - Oppenheimer Hall Renovation  
UL - Miller Technology Center, Ph III  
WKU - Agriculture Exposition Center Air Conditioning  
WKU - Renovation of Institute for Economic Development

WKU - Renovation of Snell Hall  
WKU - Renovation of Glasgow Campus  
WKU - Renovation of Van Meter Hall  
WKU - Renovation of Grise Hall  
Industries for the Blind - New Warehouse & Renovations (Workforce Dev)  
Shelby County: New State Vocational Technical School (Workforce Dev)  
Perkins Rehab Center - Therapeutic Services Expansion (Workforce Dev)  
Perkins Rehab Center - Rooftop Unit Replacement (Workforce Dev)

Replace Veneered Wall Coverings - Whitney Hall & Main Lobby (Center for the Arts)  
Monitor System for Bomhard Theater (Center for the Arts)  
Louisville Zoo Expansion, Phase I (Economic Development)  
KSP - Radio System Replacement (1&2) (Justice)  
EKU - Student Service Building  
EKU - Gibson Building Complex  
KSU - Center for Excellence for Study of KY African-Americans  
NKU - Covington Campus Renovation  
UKUS - Medical Center Chilled Water Loop  
UKUS - Chilled Water Additions  
UKUS - Steam Line Expansion Rose Street



UKUS - Bowman Hall Renovation

UKUS - Animal Science Research Center, Phase I

UKUS - Cooling #3 to Lime Chilled Water Pipe

UKUS - Cooling Secondary Pumping, Phase I

UL - Founders Union Renovation

UL - Multi-Cultural Center Building

UL - Property for Support Services

UL - Urban Research Institute Renovation

UL - Business/Public Administration Classroom Renovation

WKU - Air Conditioning for Academic-Athletic #1

WKU - Electrical Upgrade of Normal Drive Substation

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